



COMDTINST 12550.21

COMMANDANT INSTRUCTION 12550.21

Subj: COAST GUARD DEATH GRATUITY PAYMENT

Ref: (a) Section 651 of Public Law 104-208

1. PURPOSE. This Instruction establishes the Coast Guard's death gratuity payment policy. The authority to grant a death gratuity payment to the personal representative of an employee who dies from a traumatic injury sustained in the line of duty has been redelegated to Coast Guard.
2. ACTION. Area and district commanders, commanders of maintenance and logistics commands, commanding officers of headquarters units, assistant commandants for directorates, Chief Counsel, and special staff offices at headquarters shall ensure compliance with the provisions of this Instruction.
3. DIRECTIVES AFFECTED. None.
4. BACKGROUND. Past events where Federal employees have died in the performance of duty leaving some families without the financial resources to cover funeral expenses and other needs, prompted Congress to legislate an additional death benefit gratuity. Section 651 of Public Law 104-208 gives Department and agency heads the authority to pay up to \$10,000, as a death gratuity, to the personal representative of an employee who dies from an injury sustained in the line of duty occurring on or after 2 August 1990.
5. COVERAGE: The Coast Guard will pay up to \$10,000 subtracting out any payments authorized by the Department of Labor's Office of Workers' Compensation Programs (OWCP) under 5 USC 8133(f) and 5 USC 8134(a), typically totaling \$1,000.

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6. DEATH GRATUITY.

- a. Payments will be made to the personal representative of any Federal civilian employee. Generally this would be the formally designated executor or administrator of the employee's estate under state law.
- b. Approved Cases by OWCP: A gratuity is paid in cases where OWCP finds the former employee died as a result of a traumatic injury sustained in the line of duty on or after 2 August 1990. Traumatic injury is typically defined as a wound or other condition of the body caused by external force. A detailed discussion of traumatic injury may be found in OWCP's Injury Compensation for Federal Employees Handbook, publication CA-810.
- c. Disapproved Cases by OWCP: A gratuity will **not** be paid where OWCP disapproves a death claim, due to OWCP factors other than statutory time limits under the Federal Employees' Compensation Act (FECA).
- d. Unfiled OWCP Claim: Generally, a gratuity will not be paid. Exceptions are:
 - (1) In rare cases where survivors have chosen not to file a claim with OWCP within 3 years of death, up to \$9,000 may be payable if it is determined the claim meets OWCP's acceptance standards. The survivors would be encouraged to file for the additional OWCP benefits.
 - (2) Where the claim for death benefits has been rejected by OWCP for timeliness and it is determined the claim meets OWCP's acceptability standards, a \$10,000 death benefit may be paid to the personal representative of the estate.
- e. Exclusions:
 - (1) Active duty and reserve military personnel; Auxiliary members who die under valid orders; and non-appropriated fund civilians are excluded from payment under this legislation.
 - (2) If either the Coast Guard or OWCP determines that death of the employee was the result of willful misconduct, a death gratuity **will not** be paid. Willful misconduct criteria is defined in OWCP guidance and outlined in their Injury Compensation for Federal Employees Handbook (CA-810). Under this criteria, if Coast Guard or OWCP determine the employee caused death or injury to himself, herself, or another, or that intoxication caused the injury, payment of a death gratuity benefit **would not** be authorized.

7. RESPONSIBILITIES:

- (1) Coast Guard Personnel Command (CGPC-cpm-5) will be responsible for preparing the paperwork required to process the death gratuity payment and corresponding with the personal representative of the estate. Information on action taken to process a claim will be annotated on the Death Gratuity Payment Funding Authorization Sheet (enclosure (1)). The determinations in 6a and 6b will be made by CGPC-cpm-5.
- b. The funding authorization sheet will be forwarded to Commandant (G-WR) for authorization and payment by the civilian pay accounts manager.
8. TAX STATUS: The Internal Revenue Service has ruled death gratuity payments made for deaths occurring on or after 20 August 1996 are fully subject to Federal income tax. If the death occurred earlier, a \$5,000 exclusion will generally apply. Further tax questions should be directed to the recipient's tax consultant or the Internal Revenue Service (IRS).
9. REPORTING REQUIREMENTS: Annually the Coast Guard Personnel Command (CGPC-cpm-5) will provide to Commandant (G-WPC-3) a report containing the following information:
 - a. Certification that records have been reviewed to identify cases eligible for the death gratuity benefit;
 - b. Total number of cases identified;
 - c. The name of the deceased employee; approval or non-approval of the death gratuity benefit and the basis for the decision; the amount of the gratuity paid; and the approximate date the gratuity was/will be paid. This information must be provided for each case identified; and,
 - d. Any issues or problems arising from the exercise of this authority which may require policy or procedural changes.

Encl: (1) Funding Approval Sheet

DEATH GRATUITY PAYMENT FUNDING AUTHORIZATION SHEET

I. DECEASED EMPLOYEE S NAME:

II. PERSONAL REPRESENTATIVE S NAME, MAILING ADDRESS, AND TELEPHONE NUMBER:

III. COAST GUARD PERSONNEL COMMAND S (CGPC-cpm-5) SIGNATURE:

IV. DEATH GRATUITY CHECK AMOUNT & DATE SENT:

V. CIVILIAN PAY ACCOUNTS MANAGER (G-WR) FUNDING SIGNATURE:
